

Message Text

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41

ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 EB-07 SS-15 L-02 SP-02 FRB-01

OMB-01 RSC-01 H-01 AID-05 IGA-01 /049 W

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R 031719Z DEC 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6604

INFO AMEMBASSY MADRID

LIMITED OFFICIAL USE BONN 18678

DEPT PASS TREASURY FOR BUSHNELL

E.O. 11652: N/A

TAGS: EAID, IDB

SUBJECT: IDB INTER-REGIONAL CAPITAL FUND

1. MOLTRECHT IN FRG MINISTRY FOR ECONOMIC COOPERATION HAS MADE AN INFORMAL REQUEST FOR CLARIFICATION OF REASONS GIVEN BY US IN SUPPORT OF PROPOSAL TO AMEND SECTION 7 (B) AND DELETE SECTION 7 (A) II OF IDB GENERAL RULES. PARA 2 OF EXPLANATORY PAPER TABLED BY US PARTICIPANTS IN NOV 5-6 MEETING IN BONN MAKES THE POINT THAT US SUBSCRIPTIONS TO INTER-REGIONAL CAPITAL MIGHT BE MADE ON THE BASIS OF AUTHORIZATION LEGISLATION ALONE RATHER THAN ON BASIS OF BOTH AUTHORIZATION AND APPROPRIATION AS IS REQUIRED IN CASE OF US CALLABLE SUBSCRIPTION TO ORDINARY CAPITAL FUND, THUS FACILITATING LEGISLATIVE PROCESS. MOLTRECHT UNDERSTANDS BASIC ELEMENTS OF US AUTHORIZATION AND APPROPRIATION PROCESS, AND REALIZES THAT IT WOULD BE MUCH EASIER FOR US TO MAKE SUBSCRIPTIONS ON BASIS OF LEGISLATIVE AUTHORIZATION ALONE. HOWEVER, THEY ARE CONCERNED WHETHER US CAN UNDERTAKE A LEGALLY BINDING COMMITMENT IN ABSENCE OF CONGRESSIONAL APPROPRIATION.

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2. IN ORDER TO CLARIFY THIS POINT, MOLTRECHT'S

OFFICE HAS FRAMED FOLLOWING INFORMAL QUERY:
"FOR A BETTER UNDERSTANDING OF US PROPOSAL
AND TO FACILITATE DISCUSSIONS IN MADRID, WE WOULD
LIKE TO RECEIVE ADDITIONAL CLARIFICATION OF LEGAL
STATUS OF A US SUBSCRIPTION BASED ONLY ON LEGISLATIVE
AUTHORIZATION. WOULD SUCH A SUBSCRIPTION MEAN A
LEGAL-BINDING OBLIGATION FOR THE US? IF THIS
IS SO, WOULD IT BE THE NORMAL PRACTICE OF USG
TO SUBSCRIBE TO ORDINARY AND INTER-REGIONAL CAPITAL
ONLY AFTER HAVING RECEIVED APPROPRIATIONS?"

3. MOLTRECHT PLANS TO HAVE AN INFORMAL DISCUSSION
OF THE US PROPOSALS FOR CHANGES TO THE GENERAL
RULES AT A PRELIMINARY MEETING OF NON-REGIONAL
MEMBERS ON DEC 16 IN MADRID. HE WOULD LIKE TO HAVE
US RESPONSE AS QUICKLY AS POSSIBLE, HOWEVER, FOR USE IN
BILATERAL CONTACTS HE PLANS TO HAVE WITH OTHER
NON-REGIONALS OVER NEXT TWO WEEKS.
CASH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, ECONOMIC COOPERATION, FUND ALLOTMENT, GOVERNMENT REACTIONS, INTERGOVERNMENTAL COOPERATION
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Draft Date: 03 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
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